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Strengthening of the United Nations system: central role of the United Nations system in global governance

The United Nations in global economic governance

Report of the Secretary-General

Summary

The present report, submitted pursuant to General Assembly resolution 67/289, elaborates on the adoption, in 2015, of the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda of the third International Conference on Financing for Development and the Paris Agreement on climate change as a major step forward in enhancing the role of the United Nations in global economic governance. These universal agreements establish overarching global frameworks for achieving the 17 Sustainable Development Goals by all Member States, while taking into account their different national realities, capacities and levels of development, and addressing the social, economic and environmental dimensions of sustainable development. The report describes the substantial efforts of the United Nations system, major country groupings and international financial and trade institutions to align their programmes of work with these United Nations-led outcomes.

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I. Introduction

1. In its resolution 67/289, entitled "The United Nations in global economic governance", the General Assembly requested the Secretary-General to submit at its seventy-first session a report on the implementation of that resolution, exploring options and ideas for continuing interaction between the United Nations and intergovernmental groupings, to be prepared in consultation with Member States and relevant organizations of the United Nations system, taking into account the post-2015 development agenda and the follow-up processes to all major United Nations conferences and summits in the economic, social and related fields. The present report is submitted in response to that request.

2. The report follows up on the two previous reports of the Secretary-General on global economic governance and development (A/66/506 and A/67/769), issued in October 2011 and March 2013.[1] The adoption, in 2015, of the 2030 Agenda for Sustainable Development, the Addis Ababa Action Agenda of the third International Conference on Financing for Development and the Paris Agreement on climate change marks a major step forward in enhancing the role of the United Nations in global economic governance. What has followed is a major shift within the United Nations system and beyond, including among major country groupings and international financial and trade institutions, towards the alignment of their work with these United Nations-led outcomes. An update to the 2011 and 2013 reports on global economic governance and development is therefore timely and warranted. A note verbale was circulated to all Member States seeking their views on the issue of the United Nations in global economic governance and consultations were undertaken with the relevant organizations of the United Nations system. The responses received from Member States are available on a dedicated website.[2]

II. Overview of the world economic situation and prospects

3. Although the global economic recovery is progressing, downside risks remain. In 2015, global growth stumbled amid weak aggregate demand, sluggish trade and investment, falling commodity prices and increasing financial market volatility in major economies. Economic activity remains lacklustre, with little prospect for a turnaround in 2016. Gross world product is projected to expand by only 2.4 per cent in 2016, the same weak rate as in 2015. Growth prospects for 2017 also remain well below pre-crisis trends.[3]

4. The current global economic situation is not favourable for the implementation of the 2030 Agenda. Weak global growth is likely to undermine public and private investment in education, health, infrastructure, environmental protection and progress in poverty reduction. If the current growth pattern continues in the longer

[1] Consistent with previous reports of the Secretary-General on this issue, the term "global economic governance" refers to the role of multilateral institutions and processes in shaping global economic policies, rules and regulations.

[2] See www.un.org/esa/ffd/topics/global-economic-governance/geg-71ga.html.

[3] United Nations, "World economic situation and prospects: update as of mid-2016" (New York, 2016), p. i. Available from www.un.org/en/development/desa/policy/wesp/wesp_current/2016wesp_update.pdf.

term, gross domestic product growth in the least developed countries will fall well short of the 7 per cent target set out in the Sustainable Development Goals.

5. Against this backdrop, the international community needs to renew its efforts to improve policy coordination at the national, regional and international levels. Stimulating inclusive growth in the short term and fostering long-term sustainable development will require more effective coordination of monetary, exchange rate and fiscal policies to break the vicious cycle of weak aggregate demand, underinvestment, low productivity and low growth performance in the global economy. Furthermore, economic, social and environmental policies need to be integrated into structural reforms to realize the comprehensive and universal 2030 Agenda. There also needs to be stronger international coordination of national policies to avoid adverse spillover effects on the global economy.

III. Strengthening the role of the United Nations in global economic governance

6. The year 2015 was momentous for multilateralism and international policy-shaping. The adoption of the 2030 Agenda, the Addis Ababa Action Agenda and the Paris Agreement, representing shared commitments at the highest political level, established the overarching global frameworks for achieving sustainable development by 2030 and beyond.

7. The primary role of the United Nations in spearheading global efforts to achieve sustainable development was not only formally stated, but also embodied in a lasting process of United Nations-led collaboration among all relevant stakeholders, including major country groupings and international financial institutions. In an unprecedented development, these stakeholders are now aligning their work with these United Nations-led outcomes.

8. The 2030 Agenda stands out for its universality, people-centred orientation and respect for human dignity and the planet. It provides an ambitious, shared vision that guides global efforts to eradicate poverty and achieve sustainable development. The Addis Ababa Action Agenda provides a foundation to support the implementation of the 2030 Agenda and establishes a new global framework for financing sustainable development. The Paris Agreement charts a new course in the global effort aimed at fostering a rapid transition to a low-carbon, climate-resilient economy.

9. These three outcomes spell out clear monitoring and follow-up mechanisms that offer new opportunities for the United Nations to continue to play a stronger role in global economic governance. The high-level political forum on sustainable development has a central function in overseeing a network of follow-up and review processes of all relevant United Nations conferences at the global level. As mandated by the Addis Ababa Action Agenda, the Economic and Social Council forum on financing for development follow-up provides a dedicated intergovernmental space at the United Nations to review the implementation of the financing for development outcomes and the delivery of the means of implementation of the 2030 Agenda. The Paris Agreement established a "global stocktake", the objective of which is to have the Parties to the United Nations

Framework Convention on Climate Change update and enhance their actions and to support and increase international cooperation.

10. Effective global economic governance is crucial for the success of national efforts aimed at achieving sustainable development in all countries. The 2030 Agenda and the Addis Ababa Action Agenda attach great importance to strengthening international economic governance. In the 2030 Agenda, the international community recommitted itself to broadening the participation of developing countries in international economic decision-making, norm-setting and global economic governance. In the Addis Ababa Action Agenda, Member States pledged to take measures to improve and enhance global economic governance and to arrive at a stronger, more coherent, more inclusive and representative international architecture for sustainable development.

A. 2030 Agenda for Sustainable Development

1. Salient features

11. In September 2015, the General Assembly adopted resolution 70/1, entitled "Transforming our world: the 2030 Agenda for Sustainable Development". The 2030 Agenda sets forth "a plan of action for people, planet and prosperity" and seeks to strengthen universal peace in larger freedom. It consists of a declaration, 17 Sustainable Development Goals and 169 targets, a section on its means of implementation and a revitalized Global Partnership for Sustainable Development, and a framework for review and follow-up.

12. The 2030 Agenda envisages a world of universal respect for human rights, equality and non-discrimination. Its overriding message is to leave no one behind. The Sustainable Development Goals are integrated and indivisible and unite the three dimensions of sustainable development: economic, social and environmental. They are universally applicable, taking into account different national realities, capacities and levels of development and respecting national policies and priorities. The means of implementation of the 2030 Agenda are woven into specific targets supporting the achievement of the Goals. In particular, Goal 17 strengthens the means of implementation and revitalizes the Global Partnership for Sustainable Development, anchored on specific targets and actions with regard to finance, technology, trade and capacity-building.

2. Sustainable Development Goal indicators

13. In the 2030 Agenda, Member States decided that the Sustainable Development Goals and targets would be followed up and reviewed using a set of global indicators, complemented by indicators at the regional and national levels. The global indicator framework was to be simple yet robust, address all the Goals, targets and the means of implementation, and preserve the political balance, integration and ambition contained therein. Furthermore, Member States agreed that follow-up and review at the high-level political forum would be informed by an annual progress report on the Goals to be prepared by the Secretary-General, in cooperation with the United Nations system, based on the global indicator framework and data produced by national statistical systems and information collected at the regional level.

14. The Statistical Commission led a major effort to develop a set of indicators to measure the progress made in achieving the targets of the Goals. In March 2016, the Commission agreed to a proposal by the Inter-Agency and Expert Group on Sustainable Development Goal Indicators on the development of a global indicator framework. The Commission also decided that all estimates used for the compilation of global indicators for the Goals would be produced in full consultation with national statistical offices.

15. Based on the proposed global indicator framework, the Secretary-General issued, in June 2016, a report on progress towards the Goals (E/2016/75), followed by a publication entitled *The Sustainable Development Goals Report 2016*,[4] which presented an overview of where the world stood relative to the Goals.

3. Follow-up process

High-level political forum on sustainable development

16. In the 2030 Agenda, Member States committed themselves to engaging in the systematic follow-up to and review of its implementation over the coming 15 years. The high-level political forum was assigned a central role in overseeing a network of follow-up and review processes at the global level, working coherently with the General Assembly, the Economic and Social Council and other relevant organs and forums, in accordance with existing mandates. Meeting every four years under the auspices of the Assembly, the forum provides high-level political guidance on the implementation of the 2030 Agenda, identifies progress and emerging challenges and mobilizes further action to accelerate its implementation. It promotes system-wide coherence and coordination of sustainable development policies. The forum is also mandated to ensure effective linkages with the follow-up and review arrangements of all relevant United Nations conferences and processes.

17. Regular voluntary, State-led reviews by developed and developing countries, which provide a platform for partnerships, including through the participation of major groups and other relevant stakeholders, are carried out at the annual high-level political forum convened under the auspices of the Economic and Social Council. Member States decided that thematic reviews of progress made in achieving the Sustainable Development Goals, including cross-cutting issues, should be done by the forum. These reviews are to be supported by reviews by the functional commissions of the Council and other intergovernmental bodies and forums, which should reflect the integrated nature of the Goals and the linkages between them.

18. The high-level political forum benefits from input from other forums, such as the Economic and Social Council forum on financing for development follow-up, the multi-stakeholder forum on science, technology and innovation for the Sustainable Development Goals and the Development Cooperation Forum. Deliberations at the high-level political forum are informed by an annual progress report on the Sustainable Development Goals and the "Global Sustainable Development Report".

19. Further modalities of the high-level political forum are spelled out in General Assembly resolution 70/299, entitled "Follow-up and review of the 2030 Agenda for

[4] Available from http://unstats.un.org/sdg...report/2016/.

Sustainable Development at the global level". The sequence of themes for each four-year cycle of the forum is to reflect the integrated, indivisible and interlinked nature of the Sustainable Development Goals and the three dimensions of sustainable development, including cross-cutting and new and emerging issues, and will serve as the framework for reviewing all 17 Goals. Furthermore, a set of goals representing the three dimensions of sustainable development with a view to facilitating an in-depth review of progress made on all Goals over the course of a four-year cycle, with the means of implementation, including with respect to Goal 17, reviewed annually, will be discussed at the forum under the auspices of the Economic and Social Council.

20. The first high-level political forum after the adoption of the 2030 Agenda was held from 11 to 20 July 2016 under the theme "Ensuring that no one is left behind". Its central feature was voluntary national reviews delivered by 22 countries, which demonstrated how the implementation of the universal agenda was challenging for all Member States. The forum adopted a ministerial declaration (E/HLS/2016/1) as its outcome.

Multi-stakeholder forum on science, technology and innovation for the Sustainable Development Goals

21. The Technology Facilitation Mechanism, established in the Addis Ababa Action Agenda, was launched at the United Nations summit for the adoption of the post-2015 development agenda. The Mechanism comprises three elements: an inter-agency task team on science, technology and innovation for the Sustainable Development Goals, which met for the first time in March 2016, with a supporting group of 10 eminent representatives from civil society, the private sector and the scientific community; an online platform that will provide an overview of science, technology and innovation initiatives and promote the matching of technology supply and demand; and a multi-stakeholder forum on science, technology and innovation for the Goals.

22. The multi-stakeholder forum is convened annually to discuss cooperation on science, technology and innovation around thematic areas for the implementation of the Goals. Its meetings are convened by the President of the Economic and Social Council before the meetings of the high-level political forum convened under the auspices of the Council or, alternatively, in conjunction with other forums or conferences. The multi-stakeholder forum is co-chaired by representatives of two Member States who prepare a summary of the discussions as an input to the high-level political forum.

23. The multi-stakeholder forum provides a venue for facilitating interaction, partnerships and the establishment of networks among relevant stakeholders and multi-stakeholder partnerships in order to identify and examine technology needs and gaps, including with regard to scientific cooperation, innovation and capacity-building, and to help to facilitate the transfer and dissemination of relevant technologies for advancing the Sustainable Development Goals.

24. The first multi-stakeholder forum was held at Headquarters in New York on 6 and 7 June 2016 and addressed the topic of realizing the potential of science, technology and innovation for all to achieve the Sustainable Development Goals. Participants discussed the mobilization of science, technology and innovation on behalf of the Goals and options for strengthening science, technology and

innovation capacity and literacy. They also emphasized that the forum could become a platform at the global level for the forum community and that its wide range of stakeholders would facilitate the creation of the conditions for transformative and solutions-oriented forums by fostering international coordination and multi-stakeholder collaboration. The summary of the forum by the Co-Chairs (E/HLPF/2016/6) was transmitted to the high-level political forum.

Global Sustainable Development Report

25. The 2030 Agenda provides that, in addition to the progress report on the Sustainable Development Goals, the high-level political forum should be informed by the Global Sustainable Development Report, which is to strengthen the science-policy interface and provide a strong evidence-based instrument to support policymakers in promoting poverty eradication and sustainable development. Following consultations led by the President of the Economic and Social Council on the scope, methodology and frequency of the Report, as well as its relation to the progress report, it was agreed that the Report should provide guidance on the state of global sustainable development from a scientific perspective, which would help to address the implementation of the 2030 Agenda, present lessons learned while focusing on challenges, address new and emerging issues and highlight emerging trends and actions. The Report should also focus on an integrated approach and examine policy options in the light of the need to sustain the balance between the three dimensions of sustainable development.

26. In addition, it was decided that the Report would be produced every four years to inform the high-level political forum convened under the auspices of the General Assembly. Member States designed a three-tier mechanism for the preparation of the Report, including an independent group of scientists, comprising 15 eminent expert scientists appointed by the Secretary-General in consultation with Member States, to write the report, supported by a task team co-led by several entities of the United Nations system and by the scientific community.

B. Addis Ababa Action Agenda

1. Salient features

27. The Addis Ababa Action Agenda provides a strong foundation to support the implementation of the 2030 Agenda. It includes a new global framework for financing sustainable development by aligning all financing flows and policies with economic, social and environmental priorities. The financing needs for reaching the Sustainable Development Goals are truly immense. Nevertheless, they can be met, provided that financial systems are better aligned with sustainable development objectives. The Action Agenda laid the foundation for such alignment by bringing together, under United Nations leadership, all relevant stakeholders.

28. The Addis Ababa Action Agenda includes agreements and policy recommendations in seven main areas: national public resources, national and international private business and finance, international development cooperation, international trade as an engine for development, debt sustainability, addressing systemic issues and science, technology, innovation and capacity-building. The concluding section deals with data, monitoring and follow-up. The Action Agenda also serves as a guide for further actions by Governments, international

organizations, civil society, the business sector and philanthropic organizations. Such deliverables and initiatives will further contribute to reaching the Sustainable Development Goals. Together, these efforts support a revitalized and strengthened global partnership for sustainable development that can end extreme poverty and deliver sustainable development for all.

2. Follow-up process

Economic and Social Council forum on financing for development follow-up

29. The Addis Ababa Action Agenda established the annual Economic and Social Council forum on financing for development follow-up with universal, intergovernmental participation. The forum is mandated to assess progress, identify obstacles and challenges to the implementation of the financing for development outcomes and the delivery of the means of implementation of the Sustainable Development Goals, promote the sharing of lessons learned from experiences at the national and regional levels, address new and emerging topics of relevance and provide policy recommendations for action by the international community. The annual report of the Inter-Agency Task Force on Financing for Development, convened by the Secretary-General, provides a major substantive input to the deliberations of the forum. Agreed-upon conclusions and recommendations at the intergovernmental level emerge from the forum as an input to the high-level political forum.

30. The inaugural forum on financing for development follow-up was held at Headquarters in New York from 18 to 20 April 2016, under the overall theme "Financing for sustainable development: follow-up to the Addis Ababa Action Agenda". The forum incorporated the special high-level meeting of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization (WTO) and the United Nations Conference on Trade and Development (UNCTAD), including an interactive dialogue with the representatives of intergovernmental bodies and the senior management of those institutions. The forum provided a solid platform for substantive deliberations on the entire scope of the Addis Ababa Action Agenda, as described in the summary by the President of the Economic and Social Council (A/71/88-E/2016/68) and a more extensive publication.[5]

31. The forum on financing for development follow-up resulted in a concise, forward-looking outcome document that reaffirmed the strong commitment to the full and timely implementation of the Addis Ababa Action Agenda, built on the Monterrey Consensus of the International Conference on Financing for Development and the Doha Declaration on Financing for Development, and recognized the close link between the Action Agenda and the 2030 Agenda. The three-pronged approach of the 2016 Inter-Agency Task Force report setting the monitoring framework for future reports was welcomed, while the forum provided guidance for the preparation of its future sessions.

Inter-Agency Task Force on Financing for Development

32. In the Addis Ababa Action Agenda, the Secretary-General was encouraged to convene an inter-agency task force on financing for development to report annually

[5] Available from www.un.org/esa/ffd/publications/ffd_forum_publication_2016.html.

on the progress made in implementing the financing for development outcomes and the means of implementation of the 2030 Agenda. It was also to advise the intergovernmental follow-up on progress, implementation gaps and recommendations for corrective action. The primary role of its report was to inform the deliberations of Member States on the implementation of the financing for development outcomes and the means of implementation of the Sustainable Development Goals at the forum on financing for development follow-up and at the high-level political forum.

33. The Task Force comprises more than 50 United Nations agencies, programmes and other international institutions. The main institutional stakeholders of the financing for development process, namely, the World Bank Group, the International Monetary Fund (IMF), WTO, UNCTAD and the United Nations Development Programme, play a central role, jointly with the Financing for Development Office of the Department of Economic and Social Affairs, which also serves as the coordinator and substantive editor of the Task Force's report. The regional commissions help to bring national and regional perspectives to the report. The report would also benefit from the input of other stakeholders, including academic institutions, civil society, foundations and the private sector.

34. The inaugural report of the Task Force presents the monitoring framework for the means of implementation targets of the Sustainable Development Goals and the Addis Ababa Action Agenda. It also outlines the full set of data sources for annual assessments of the progress made in implementation, evidence-based policy analysis and recommendations for action. Future reports will follow a three-pronged approach, including discussion of the global context and its implications for financing for development follow-up, an overview of each chapter of the Action Agenda, with more detailed reporting contained in an online annex, and analyses of thematic issues. The reports will draw upon the Goal indicators, while also providing contextual analysis on the means of implementation and addressing progress on the additional commitments in the Action Agenda.

Global Infrastructure Forum

35. The Addis Ababa Action Agenda called for the establishment of a global infrastructure forum building on existing multilateral collaboration mechanisms, led by the multilateral development banks. The resulting Global Infrastructure Forum is intended to improve alignment and coordination among established and new infrastructure initiatives, multilateral and national development banks, United Nations agencies, national institutions, development partners and the private sector. It will encourage a wider range of voices to be heard, in particular from developing countries, in order to identify and address infrastructure and capacity gaps, especially in least developed countries, landlocked developing countries, small island developing States and African countries. It will highlight opportunities for investment and cooperation and work to ensure that investments are environmentally, socially and economically sustainable.

36. The first Global Infrastructure Forum was held in Washington, D.C., on 16 April 2016. It was co-hosted by the World Bank Group and other multilateral development banks,[6] in cooperation with United Nations agencies and development

[6] African Development Bank, Asian Development Bank, Asian Infrastructure Investment Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, Islamic Development Bank and New Development Bank.

partners. The hallmark of the Forum was its inclusiveness. For the first time, it brought together all the heads of the multilateral development banks, including the newly established Asian Infrastructure Investment Bank and the New Development Bank, and the United Nations, represented by the Secretary-General. Major country groupings, such as the Group of 77 and China, the Intergovernmental Group of Twenty-four on International Monetary Affairs and Development and the Group of 20, were also represented. The presence of those institutions demonstrated their commitment to strengthening collaboration to bridge the infrastructure gap.

37. The Forum's outcome was a statement by its Chair.[7] Multilateral development banks and development partners committed themselves to working with countries and investors to support the provision of greater access to, and better quality of, affordable and sustainable infrastructure services. The Forum will be held annually to review progress. The responsibility for hosting it will rotate among the multilateral development banks and preparations for it will continue to be carried out in an inclusive manner, in cooperation with the United Nations system through the Department of Economic and Social Affairs. Its outcomes will be reported to the United Nations through the forum on financing for development follow-up.

C. Paris Agreement

38. At its twenty-first session, the Conference of the Parties to the United Nations Framework Convention on Climate Change reached a landmark agreement to combat climate change and accelerate and intensify the action and investments needed for a sustainable low-carbon future. The Paris Agreement unites all nations in a common cause to take ambitious efforts to combat climate change and adapt to its effects, with enhanced support to developing countries in that regard. As such, it charts a new course in the global climate effort.

39. The central aim of the Paris Agreement is to strengthen the global response to the threat of climate change by keeping a global temperature rise in the twenty-first century below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase even further to 1.5°C. The Agreement also aims to strengthen the ability of countries to deal with the impacts of climate change. To reach these ambitious goals, appropriate financial flows, new technologies and an enhanced capacity-building framework will be put in place, thereby supporting action by developing countries and the most vulnerable countries, in line with their own national objectives.

40. The Paris Agreement requires all Parties to put forward their best efforts through nationally determined contributions, including regular reports on their greenhouse gas emissions and implementation efforts. There will also be a global stocktake every five years to assess the collective progress made and to inform further individual actions by Parties.

41. The Paris Agreement will enter into force 30 days after at least 55 Parties to the Convention, accounting for an estimated 55 per cent of the total global greenhouse gas emissions, have deposited their instruments of ratification, acceptance, approval or accession with the Secretary-General. As at 7 September

[7] Available from www.worldbank.org/en/topic/publicprivatepartnerships/brief/chairmans-statement-global-infrastructure-forum-2016.

2016, 27 States, accounting for 39.08 per cent of global emissions, had submitted such instruments. The rapid entry into force of the Agreement will create incentives for the early implementation of nationally determined contributions and build support within markets and societies for the increased climate ambition.

IV. Role of the Economic and Social Council in global economic governance

42. There is a distinct and special role for the Economic and Social Council in global economic governance. As one of the six principal organs of the United Nations, the Council is mandated to offer direction to and provide coordination of the economic, social, cultural and related activities of the Organization.

A. Economic and Social Council reform

43. The General Assembly, in its resolution 68/1, launched the most far-reaching reform of the Council in more than a decade. The reform is aimed at making the Council a leadership forum for policy dialogue and recommendations, the lead entity to address new and emerging challenges, a key body for a balanced integration of the three dimensions of sustainable development, a central mechanism for guidance to and coordination of the United Nations development system and an accountability platform for universal commitments, monitoring and reporting on progress at all levels.

44. The support of the Council for the 2030 Agenda is broad. It includes advancing a balanced integration of the three dimensions of sustainable development through its annual main theme and addressing specific areas and issues, including humanitarian affairs and promoting peaceful and inclusive societies for sustainable development. Doing so involves the Council's system as a whole and includes development stakeholders and actors. The strengthening of the Council, with its segments, forums and instruments, along with its functional commissions and expert bodies, also created the architecture to support the implementation and follow-up and review of the 2030 Agenda, in particular by launching the high-level political forum, the forum on financing for development follow-up and the multi-stakeholder forum on science, technology and innovation for the Sustainable Development Goals.

45. The General Assembly decided that the Council should adopt an annual main theme that would serve to guide the Council and its entire system. The various parts of the Council contribute to a global review, such as the Council's operational activities and integration segments, as well as various forums. Each part of the Council system aligns, to the extent possible, its work to the main theme, bringing the work of the system closer together and offering an integrated perspective on sustainable development.

46. The work of the Council during its annual cycle, including that of its functional commissions and other intergovernmental bodies, culminates in the high-level segment, which contains policy discussions and forums and has broad responsibilities and political significance for global dialogue on sustainable development. The annual ministerial meeting of the high-level political forum is

placed within the high-level segment so that it can draw upon the Council's work during this annual cycle, including that of the Council system.

47. Overall, 30 United Nations bodies have a direct reporting relationship to the Council: 9 functional commissions, 5 regional commissions, 3 standing committees, 1 ad hoc body, 8 expert bodies and 4 related bodies. The Council also plays an important role in reviewing the work of another 14 standing bodies that report formally to the General Assembly.

48. In addition, the Council has created new multi-stakeholder platforms and strengthened existing forums to tackle emerging global challenges, such as its youth forum and its partnership forum. Through special meetings on emergency situations and topical issues, including, most recently, on inequality, El Niño and the Zika and Ebola viruses, the Council helped to raise awareness and serve as a high-level policy platform for the coordination of efforts of relevant actors and to develop a strategic global response.

B. Development Cooperation Forum

49. The biennial Development Cooperation Forum, established in 2005, has a mandate to review trends and progress in international development cooperation (General Assembly resolution 61/16, para. 4 (a)). Within the United Nations system, the Forum is the focal point for the holistic consideration of issues relating to international development cooperation, with the participation of all relevant stakeholders (resolution 63/239, annex, para. 47). The deliberations of the Forum, according to its mandate, will be taken into account by the forum on financing for development follow-up (resolution 69/313, annex, para. 132). The high-level political forum, which meets annually under the auspices of the Economic and Social Council, also takes into account the work of the Forum (see resolution 67/290).

50. Currently, the Forum focuses on contributing to the development cooperation aspects of the 2030 Agenda. It benefits from analytical studies on key issues, such as the future role of development cooperation, South-South cooperation and knowledge-sharing and mutual learning through monitoring, review and accountability. The Forum is informed by high-level preparatory events, which are organized to generate substantive input and gather the views of policymakers and practitioners.

51. The most recent Forum was held at Headquarters in New York on 21 and 22 July 2016 and demonstrated its role as a vital platform to review trends and progress made in international development cooperation and its contributions to implementing the 2030 Agenda and the Addis Ababa Action Agenda.

C. Longer-term positioning of the United Nations development system

52. In its resolution 2014/14, the Economic and Social Council decided to convene a transparent and inclusive dialogue on the longer-term positioning of the United Nations development system, taking into account the post-2015 development agenda, including the interlinkages between the alignment of functions, funding practices, governance structures, capacity and impact of the United Nations

development system, partnership approaches and organizational arrangements. The dialogue took place over 18 months, ending in July 2016, and was aimed at reorienting the United Nations development system to better respond to the needs and priorities of a new development era.

53. The dialogue benefited from a number of analytical contributions from Member States, the United Nations development system, independent experts and an independent team of advisers appointed by the Bureau of the Economic and Social Council. The independent team of advisers provided a set of concrete, bold and ambitious proposals with a vision of a stronger system working as one. It pushed for breaking silos and achieving horizontal coherence, focusing on the importance of leadership at the global and country levels, one governing board, one global framework and one way of operating by reorganizing presence in the field based on entities' comparative advantage.

54. The independent team of advisers made four recommendations to improve the governance of the United Nations development system: strengthen the monitoring and oversight role of the Economic and Social Council by establishing the position of a full-time President with adequate staff support, establish a sustainable development board through the gradual merging of governing bodies, improve the scope and effectiveness of the resolution of the General Assembly on the quadrennial comprehensive policy review of operational activities for development of the United Nations system and enhance the quality of decision-making by individual governing bodies by reviewing their composition and working methods. The outcome of the dialogue will feed into the quadrennial comprehensive policy review at the seventy-first session of the Assembly.

V. Engagement of the United Nations with intergovernmental groupings

A. Group of 20

55. The Group of 20, comprising 19 countries[8] and the European Union, was founded in 1999 as a forum of central bank governors and finance ministers with the aim of promoting international financial stability. Its members account for 90 per cent of global gross domestic product, and almost 70 per cent of the world's population and 94 per cent of official development assistance. In response to the financial crisis of 2008, the Group was elevated to a summit of leaders. At the summit held in Pittsburgh, United States of America, in 2009, the Group was designated the premier forum for international economic cooperation among its members.[9]

56. Since the Group was established as a leaders-level forum, it has played a critical role in providing political impetus for international economic cooperation among its members and engaging major emerging economies in international decision-making. Its coordinated efforts helped to stabilize the world economy at

[8] Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Republic of Korea, the Russian Federation, Saudi Arabia, South Africa, Turkey, the United Kingdom of Great Britain and Northern Ireland and the United States of America.

[9] See www.g20.org/English/aboutg20/AboutG20/201511/t20151127_1609.html.

the height of the global financial crisis. It has also been driving post-crisis efforts to recast the formal structure of economic governance. Most notably, the Group agreed to set up a financial stability board in 2009 to take forward the coordination of financial sector regulatory reform. At its summit in 2010, it put forward a proposal on governance reforms at the World Bank Group and IMF,[10] contributing to the eventual agreements reached by all World Bank and IMF member countries.

57. The development agenda of the Group was launched in its Framework for Strong, Sustainable and Balanced Growth, in which the Group called for strengthening support for the most vulnerable, including fulfilling pledges of official development assistance, and featured core development issues, such as job creation, climate change and food security. The development focus of its work has been institutionalized since 2010, when, at its summit held in Toronto, Canada, it established a development working group.[11] In November 2010, the Group of 20 leaders adopted the Seoul Development Consensus for Shared Growth, which was accompanied by the multi-year action plan on development.

58. Given the prominence of the Group in the global economy, the United Nations recognized early on the importance of effectively engaging the Group in its global sustainable development work. To that end, the United Nations, represented by the Secretary-General, has participated in all the Group's summits since 2008. The United Nations has consistently focused on encouraging the Group to place greater attention on global development challenges. It has also strongly advocated forward-looking policies and approaches towards sustainable, inclusive and equitable growth. The enhanced interaction between the United Nations and the Group brought about a continued strengthening of the development focus of the work of the Group under different presidencies. Through the Group, the United Nations has mobilized political support for the adoption of the 2030 Agenda.

59. Since the adoption of the 2030 Agenda and the Addis Ababa Action Agenda, the Group has demonstrated a commitment to their implementation. At the summit held in Antalya, Turkey, in 2015, the Group recognized that the 2030 Agenda, including the Sustainable Development Goals, and the Addis Ababa Action Agenda set a transformative, universal and ambitious framework for global development efforts. It adopted a Group of 20 and low-income developing countries framework and decided to develop an action plan in 2016 to further align the work of the Group with the 2030 Agenda.

60. Under the current presidency (China), the Group made a major breakthrough in strengthening its contribution to development. The theme of its most recent summit, held in Hangzhou, China, on 4 and 5 September 2016, was "Towards an innovative, invigorated, interconnected and inclusive world economy" to mark its transition from a crisis-response mechanism to a group with a longer-term sustainable development approach. In that regard, the Chinese presidency has identified four key priorities: breaking a new path for growth, more effective and efficient global economic and financial governance, robust international trade and investment and inclusive and interconnected development.

61. The highlight of the summit was the prioritization of sustainable development in the macro policy framework of the Group. The summit's communiqué (A/71/380)

[10] See www.g20.utoronto.ca/2010/to-communique.html.
[11] See www.g20dwg.org/.

strongly aligns with the 2030 Agenda, the Addis Ababa Action Agenda and the Paris Agreement. One of the 10 key deliverables of the summit is the Group's action plan on the 2030 Agenda, which signifies its effort to further align its work with the new United Nations development agenda and become a driving force for the achievement of the Sustainable Development Goals.

62. The action plan includes high-level implementation principles and collective and national actions by member countries. Collective actions are framed around key development areas, such as infrastructure, food security, employment, industrialization, inclusive business, energy, trade and investment, anti-corruption, international financial architecture, growth strategies, climate finance, innovation, global health and coordination. It has a time frame for achievement of 15 years, in line with the 2030 Agenda. The members of the Group commit themselves to be held accountable for their collective actions in relation to the 2030 Agenda through established accountability processes in the Group's various work streams.

63. In addition, there are several deliverables under each priority area. For example, the Group's blueprint on innovative growth establishes a series of concrete action plans in areas such as innovation, a new industrial revolution and the digital economy. Its initiative on supporting industrialization in Africa and the least developed countries, to be implemented with the substantive and operational support of the United Nations Industrial Development Organization, is aimed at promoting job creation, sustainable livelihoods, technology and skills development, food security and equitable growth in the most vulnerable countries. A call for all members of the Group to accelerate their ratification of the Paris Agreement in order to bring it into force at an early date makes a meaningful contribution to international cooperation on climate change.

64. Over the years, efforts have been made to strengthen the representation of developing countries in the Group of 20. For the first time, Thailand, the current Chair of the Group of 77, was invited to the 2016 summit in recognition of the Group's leadership role at the United Nations. Developing countries were also represented by the Lao People's Democratic Republic, as Chair of the Association of Southeast Asian Nations, Chad, as Chair of the African Union, and Senegal, as Chair of the Heads of State and Government Orientation Committee of the New Partnership for Africa's Development. In preparation for the Summit, the Chinese presidency reached out to least developed countries, landlocked developing countries and small island developing States. In addition, business, labour, think tank, youth, women and civil society meetings were held in order to build the widest possible support and consensus.

65. Furthermore, there has been increasing cooperation between the United Nations and international financial institutions in jointly supporting the work of the Group of 20. Leaders of the Group have called upon the Organization for Economic Cooperation and Development (OECD) to develop an inclusive framework for the implementation of the base erosion and profit-shifting project globally. In that regard, IMF, OECD, the United Nations and the World Bank have established a platform for collaboration on tax, which will produce, as a major collective output, a number of toolkits and reports aimed at translating the complexity of base erosion and profit-shifting outcomes into user-friendly guidance for developing countries.

B. Group of 77 and China

66. The Group of 77 and China plays a key role in addressing system-wide policy and development issues at the United Nations. The leadership provided by the Group has been demonstrated on numerous occasions, including during the summit held in 2014 to commemorate its fiftieth anniversary. The summit's outcome document (A/68/948, annex) contains a chapter on global challenges, including global economic governance. The Group called for a renewed commitment to the global partnership for development, which would include the issues of providing financial resources to developing countries, official developing assistance, debt relief and debt restructuring, trade, technology transfer and the greater participation of developing countries in global economic governance.

67. According to the Group, strengthening the United Nations and its role in international cooperation for development is essential to responding to current and future challenges and opportunities emanating from the process of globalization. In that regard, the Group advocated exploring the establishment of a United Nations intergovernmental mechanism under the General Assembly with the responsibility for monitoring the performance of the global economic and financial system in a comprehensive and sustainable manner to prevent the spread of economic and financial crises among countries.

68. The Group actively participated in the processes leading to the 2030 Agenda, the Addis Ababa Action Agenda and the Paris Agreement. Given that the implementation phase has begun, the involvement of the Group and the ability of its members to engage in effective follow-up and monitoring will be essential.

C. European Union

69. While the European Union believes that the current global economic governance architecture strikes the right balance between legitimacy and effectiveness, it considers that, in the light of the adoption of the 2030 Agenda, the Addis Ababa Action Agenda and the Paris Agreement, it is time to look forward to new synergies and discourse among the various relevant actors for stronger global economic governance. The European Union has been a firm promoter of effective multilateralism and a supporter of the fundamental role of the United Nations system in global governance. As stated in its global strategy,[12] issued in June 2016, the European Union will strive for a strong United Nations as the bedrock of the multilateral, rules-based order and develop globally coordinated responses with international and regional organizations, States and non-State actors.

70. The European Union considers policy coherence to be a central component of the effective implementation of the 2030 Agenda and the Addis Ababa Action Agenda. Their comprehensive approach requires that policy areas be aligned in order to advance their implementation and to avoid activities counterproductive to their objectives. The United Nations development system needs to work in a more integrated fashion, with strengthened inter-agency work, and delivering as one.

71. The European Union has already taken important steps to implement the Addis Ababa Action Agenda and the 2030 Agenda. In particular, it decided to place greater

[12] Available from https://eeas.europa.eu/top_stories/pdf/eugs_review_web.pdf.

emphasis on national resource mobilization and management, double its support in this area, launch an external investment plan for facilitating investment in partner countries and further expand blended financing, in cooperation with the private sector and relevant finance institutions.

72. Later in 2016, the European Commission will put forward an overarching initiative mapping out how the European Union will contribute to implementing the Sustainable Development Goals through internal and external action. A proposal for a new European consensus on development will also be presented, outlining how the European Union and its member States can respond to global challenges and the 2030 Agenda.

D. Global Governance Group

73. The Global Governance Group, an informal coalition of 30 States Members of the United Nations, was established in 2010 to present views of States that are not members of the Group of 20 on major global issues. Members of the Global Governance Group believe that the United Nations, the only global body with universal participation and unquestioned legitimacy, should play a prominent institutionalized role in the deliberations of the Group of 20.

74. The Global Governance Group provides input on selected matters in global economic governance to the Group of 20 at its summits and informs the Secretary-General of its submissions. In its input for 2016 (A/71/221, annex), it focused on infrastructure for enhanced connectivity and growth and on innovation-driven growth, stressing the essential linkages of those areas with the Addis Ababa Action Agenda and the 2030 Agenda and supporting the relevant agenda of the Group of 20.

VI. Response of international financial and trade institutions to the 2030 Agenda

A. International Monetary Fund

75. IMF is strongly committed, within its mandate, to the global partnership for sustainable development. It has recently expanded access to its concessional resources for eligible developing countries, while maintaining the self-sustaining nature of its concessional lending facility. In July 2015, it adopted a 50 per cent increase in access to all its concessional lending facilities for low-income countries and a zero interest rate on IMF lending to low-income countries affected by natural disasters or conflicts under its Rapid Credit Facility.

76. In line with the Addis Ababa Action Agenda, IMF is expanding its macroeconomic policy advice and technical assistance to help countries to tackle infrastructure gaps without endangering public debt sustainability. Furthermore, it is striving to strengthen the effectiveness of its policy work with fragile and conflict-affected States. It will also enhance its support for developing countries in building capacity in tax policy and administration by deepening the dialogue on international tax issues and developing improved diagnostic tools to help member countries to strengthen their tax systems.

77. In an important development, the IMF quota and governance reforms, agreed to in 2010, became effective in January 2016. They deliver a 100 per cent increase in total quotas and a realignment of quota shares that better reflect the changing relative weights of the IMF member countries in the global economy. They will also result in a shift of more than 6 per cent of quota shares from overrepresented to underrepresented member countries, (i.e., dynamic emerging market and developing countries). Another round of reforms has been targeted for agreement before the annual meetings of IMF and the World Bank in 2017.

78. With regard to special drawing rights, the latest review of the method of valuation of the special drawing rights basket was completed on 30 November 2015. The IMF Executive Board decided that, as from 1 October 2016, the Chinese renminbi would be included in the basket as a fifth currency, along with the United States dollar, the euro, the Japanese yen and the British pound sterling. This is the first time in more than 15 years that the list of currencies comprising the special drawing rights has been altered.

B. World Bank Group

79. The World Bank Group continues to make efforts to enhance its support for sustainable development. In 2013, it articulated twin goals to reduce global extreme poverty to 3 per cent by 2030 and to boost shared prosperity for the bottom 40 per cent of the population in each country, marking the first time that the Group set a target for reducing income inequality, which is at the heart of the 2030 Agenda.

80. The World Bank Group has reorganized itself in order to better deliver on its twin goals. Its new operating model, launched in July 2014, stems directly from this commitment. Country-based teams remain the chief interface with clients and are responsible for country and regional strategies. To support the country-based programmes and marshal the best development knowledge available, the Group created global practices and cross-cutting solutions areas. Global practices are aimed at providing integrated, evidence-based solutions to help clients to address their most complex challenges. Cross-cutting solutions areas focus the Group's resources on corporate priorities. A review of the new organizational structure of the World Bank shows that there is at least one global practice group or cross-cutting solution area that is related directly to each of the Sustainable Development Goals. Furthermore, the Goals on growth and Goal 17 are associated with more than two global practices, suggesting a strong degree of alignment between the Group and the 2030 Agenda.

81. Boosting the national resource mobilization capacity of developing countries has been one of the key priorities of the World Bank Group. Together with IMF, the Group launched a joint initiative to help developing countries to strengthen their tax systems. The Group is also actively engaged in public finance management and supporting efforts to halt the flow of illicit funds and recover stolen assets. The Group recently launched a global tax team to bolster the institution's cutting-edge work on tax and to liaise with other global institutions and build a more coordinated dialogue on international tax issues.[13]

[13] See www.worldbank.org/en/topic/governance/brief/domestic-resource-mobilization.

C. World Trade Organization

82. The multilateral trading system helps to create the enabling environment for realizing sustainable development. The objective of sustainable development is emphasized in the WTO founding charter, the Marrakesh Declaration, in order to ensure that market opening goes hand in hand with environmental and social objectives.

83. The multilateral trading system has progressed towards concluding the Doha Development Round. The tenth Ministerial Conference of WTO, held in Nairobi in December 2015, resulted in a series of six ministerial decisions on agriculture, cotton and issues relating to least developed countries, including a commitment to abolishing export subsidies for farm exports. That commitment is the most significant reform of global agricultural trade in the history of WTO, in particular for low-income countries that depend on trade in agricultural products. The ministerial declaration also reaffirmed the central role of WTO in international trade governance.

84. Notwithstanding recent successes, the multilateral trading system needs to continue to deliver results and keep pace with the changing realities of trade. It should also support complementary actions and policy coherence at the national and regional levels. Regional trade agreements have become increasingly prevalent since the early 1990s. As at 1 July 2016, there were 460 such agreements, counting goods, services and accessions together, of which 267 are currently in force. Negotiations on megaregional agreements, such as the Transatlantic Trade and Investment Partnership, the Trans-Pacific Partnership Agreement and the Regional Comprehensive Economic Partnership, are under way in parallel with the multilateral negotiations.

85. The regional trade agreements should not undermine the multilateral trading system, with WTO at its centre. The agreements have potential positive effects on developing countries that are not parties to them when they, by design or in practice, do not confine the positive, trade-liberalizing effects to regional trade agreement partners. Nevertheless, the agreements also risk undermining the relevance of the multilateral trading system, thereby potentially harming non-developing countries that are not parties to them. WTO is of critical importance for small developing countries and for the global economy as a whole. The multilateral framework of WTO gives even the smallest developing country members a voice in setting trade rules. A call was made in the ministerial declaration for discussions within WTO of the systemic implication of the agreements for the multilateral trading system and their relationship to WTO rules, as well as for the transformation of the provisional transparency mechanism, which is used to review the agreements, into a permanent one.

D. United Nations Conference on Trade and Development

86. The fourteenth session of UNCTAD, held in Nairobi from 17 to 22 July 2016, under the theme "From decision to action: moving towards an inclusive and equitable global economic environment for trade and development", led to two major outcomes concerning the state of the world economy and setting the work programme of UNCTAD for the coming four years.

87. Those documents reaffirmed the role of UNCTAD as the focal point within the United Nations system for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development. Making globalization work for the achievement of the Sustainable Development Goals also became part of the mandate of UNCTAD to deliver prosperity for all. In the outcomes of the fourteenth session, UNCTAD was called upon to continue its research and analysis on the prospects and impacts of global economic trends and to carry out more work in areas of emerging importance to global economic governance, such as taxation, investment and electronic commerce.

88. Several initiatives launched at the meeting also serve to advance policy coordination in specific areas. For example, more than 90 countries agreed to a road map for ending harmful fishery subsidies by the end of 2017. A total of 15 international organizations and 22 private sector actors, including major multinational enterprises, launched an "e-trade for all" initiative, which is aimed at closing the digital divide between developed and developing countries in electronic commerce.

VII. Conclusion

89. The 2030 Agenda, the Addis Ababa Action Agenda and the Paris Agreement break new ground in global economic governance. These landmark agreements provide an overarching guide for global efforts to eradicate poverty and achieve sustainable development, and, accordingly, have been supported not only by the United Nations system, but also by major country groupings and international financial institutions. These stakeholders are aligning their work streams, in an unprecedented manner, with these United Nations-led outcomes and their follow-up processes. The action plan of the Group of 20 on the 2030 Agenda, endorsed at its summit in September 2016, is a case in point. This constitutes a major step forward in enhancing the role of the United Nations in global economic governance.